



Tax Newsletter

Timely news and information on national tax issues

Approval of Tax Amnesty Law



On 3 September 2024, the Legislative Assembly passed Legislative Decree 86 “Special and Provisional Law facilitating Voluntary Compliance with Tax and Customs Obligations, and other fines” (Tax Amnesty Law), which was approved and published in the official gazette on the same date, **and will be in effect for a term of 90 days, until 1 December 2024.**

This law waives fines and interest to taxpayers that wish to rectify their tax situation with respect to tax returns filed prior to 31 July 2024, **and thus it would generally apply to monthly tax returns up to June 2024 and annual tax returns up to 2023.**

In addition, this Law allows for requesting a 9-month payment plan, requiring payment of 10% of the amount owed on the day that the resolution authorizing such payment plan is issued.

The benefits that the taxpayer can opt for depend on their specific case, and therefore it is important to perform an analysis on a case-by-case basis, in order to identify the specific benefits.

It is important to mention that to help taxpayers better understand how the law could be applied and the steps to be followed according to their specific situation, the Treasury Department (*Ministerio de Hacienda*) has issued an Orientation Guide.

Due to everything mentioned above, we recommend considering the following:

1. In El Salvador, the Tax Administration has the authority to review the last 3 fiscal years, and thus currently the open periods are 2021 (period closing in April 2025), 2022, 2023 and 2024.
2. The fines usually imposed by the Tax Administration when making adjustments to tax settlements made by a taxpayer are of 25% (unintentional evasion).
3. It is recommended that an internal analysis or tax diagnosis be performed for the periods that are open to oversight, with the purpose of identifying:
 - a. Situations that could be objected to by the tax auditors,

whether due to the trends observed in oversight processes or because they identify that there is insufficient supporting documentation.

- b. Involuntary errors when preparing tax settlements.

Based on the above, taxpayers should determine if there are measures to mitigate the contingencies or if the situation can be rectified through the Tax Amnesty Law.

4. Taxpayers should evaluate the tax disputes that are open in the various stages of proceedings (before the DGII, TAIIA, and courts, among others) to compare the possibilities of success and the benefits of taking advantage of the Tax Amnesty Law.

It is important that taxpayers analyze these matters in the short term, since as previously mentioned, this Law’s effective term ends on 1 December 2024.

An excellent practice for companies to consider from a **tax perspective** is to perform a periodic analysis of their various operations (revenue, costs and expenses) to **identify potential risks**, so that contingency measures can be implemented, such as:

1. Implementing internal controls to ensure proper compliance with tax obligations.
2. Generating a Tax File of the company's relevant operations.
3. Evaluating the use of the mitigators established by the Tax Code or the benefits of the Tax Amnesty Law

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Tax Calendar

Use our [2024 Tax Calendar](#) to keep informed about:



Tax Obligations before the Tax Office (Ministerio de Hacienda)



Municipal Tax Obligations



Payroll Management Obligations

September 2024

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

To learn more about **September's** obligations:



Download the 2024 Tax Calendar

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